GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2618
ANSWERED ON:31.08.2007
CUSTOMS DUTY ON WINE AND SPIRITS
Masood Shri Rasheed

Will the Minister of FINANCE be pleased to state:

(a) the rates of customs duty on wines, spirits and liquors prevailing during each of the last three years;

(b) whether the Government has decided to make changes in such rates;

(c) if so, the details thereof;

(d) whether there is any dispute in this regard;

(e) if so, whether the issue has been forwarded to the Dispute Settlement Panel of WTO; and

(f) if so, the present status thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a), (b) and (c): Spirits/liquors have been attracting a basic customs duty of 150% during the last three years, which is also the current rate. During the last three years and till 2nd July, 2007, wines were attracting a basic customs duty of 100%, which has been increased to 150% with effect from 3rd July, 2007.

In addition, till 2nd July, 2007, wines, spirits/liquors were also subjected to additional duty of customs at specified rates, having regard to State Excise Duty rates leviable on like domestic items. The rates of additional duty applicable till 2nd July, 2007 are given in the Annexure. However,with effect from, 3rd July, 2007, this additional duty of customs on imported spirit/liquor, wines and beer has been withdrawn.

With effect from 1.3.2006, a special additional duty of customs of 4% is also applicable on spirit/liquor, wines and beer. This levy still continues.

(d) Yes, Sir.

(e) and (f) : The European Communities (EC) and the United States have filed a dispute in WTO in this regard. Although, the EC have suspended their complaint, the US has challenged the levy of additional duties on import of alcoholic beverages and some other products.

Annexure

Lok Sabha Unstarred Question No. 2618

CIF Price per case in US $ Rate of Additional duty of customs

Wines and beer

< 25 75%

> 25 but < 40 50% or $37 per case, whichever is higher

> 40 20% or $40 per case, whichever is higher

Liquor

< 10 150%

> 10 but < 20 100% or $ 40 per case, whichever is higher

> 20 but < 40 50% or $ 53.2 per case, whichever is higher

> 40 25% or $ 53.2 per case, whichever is higher

Case: packing containing nine litres